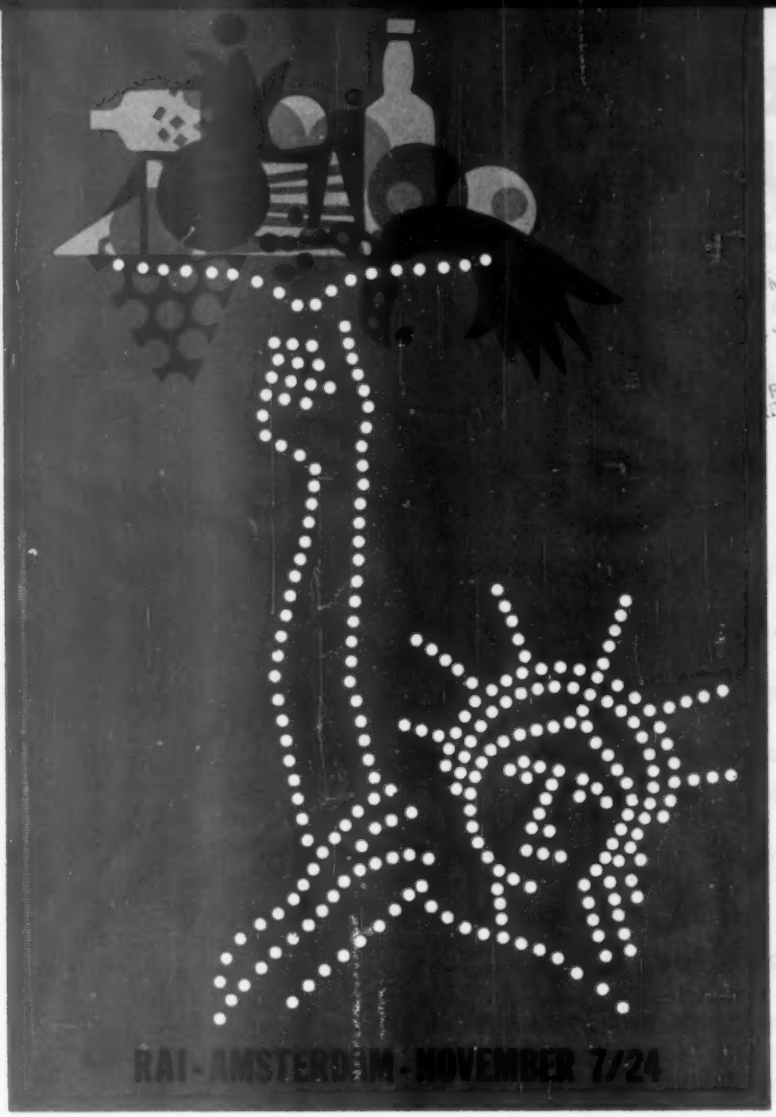

NOVEMBER 25, 1963

MICHIGAN
1963
PERIODICAL READING ROOM

The U.S. Trade Exhibit and Symposium at Amsterdam

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

NOVEMBER 25, 1963

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The official poster for the U.S. Food and Agriculture Exhibition at Amsterdam, which closed yesterday, provided the cover design for this week's issue.

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DEPOSITED BY THE
UNITED STATES OF AMERICA

J. K. McClarren, Fair director, shows egg grader to Vice President Johnson.

THE AMSTERDAM FAIR

—American agriculture's bridge across the Atlantic

For the past 2½ weeks, thousands of Europeans have been viewing the products and sharing the experience of U.S. agriculture, during the U.S. Food and Agriculture Exhibition and Symposium at Amsterdam.

This great fair—the largest display of U.S. food and agricultural products ever mounted—symbolizes what Secretary of Agriculture Orville L. Freeman last year referred to as "a bridge of trade and ideas across the Atlantic." And, opening the Exhibition on November 7, Vice President Lyndon B. Johnson also stressed the need of bringing together in a creative two-way flow the ideas and skills that have brought agricultural successes to both Europe and America.

"We must bring our agricultures into close accord today so that we may meet the tests of tomorrow," said Mr. Johnson. He pointed out the great responsibility borne by the farmers of the Atlantic partnership for the future of a world whose population may well double by the year 2000.

One challenge that lies immediately ahead for the Atlantic partnership is the common agricultural policy now being framed by the Common Market; another is the trade negotiation round due to begin next spring under the General Agreement on Tariffs and Trade. Mr. Johnson emphasized the U.S. belief that the success of both European and American agriculture will be assured by lowering barriers to trade in farm products, and asserted that the United States is prepared to do just that.

Running concurrently with the Exhibition was a symposium on agricultural trade, at which European and American leaders of government, business, labor, and education exchanged ideas. Closing the Symposium on November 15, Secretary Freeman represented the United States in a discussion of national agricultural policies in relation to expanding world trade.

Said Mr. Freeman, "International trade has been likened to a web in which a tug at any one segment is felt in all the other segments. What each nation does individually affects the pattern for all." He pointed out that, through GATT and other international organizations, the Atlantic partners have already agreed to the principle that the solution of domestic farm problems should not jeopardize international trade in farm products. They now need—and urgently—to make this principle work.

"As we seek to ameliorate our differences," he went on, "it will be a grave mistake to assume that any nation's responsibility to itself precludes the carrying out of responsibility to others." Listing four basic types of responsibility that nations owe to one another—sharing markets, maintaining reserves, helping less fortunate people, and encouraging multilateral trade—he suggested that these should be increasingly reckoned with in the formulating of national agricultural programs.

In the long run, said the Secretary, everybody will benefit most—producers, consumers, nations, and the world—when the most efficient agricultural producers are encouraged, when consumers have liberal access to the world's great variety of foods, and when an open trading society is maintained.

Crowds at Self-Service Food Store

Showcase for American Agriculture

At the Amsterdam Fair, thousands of Europeans became acquainted with the U.S. farmer, how he lives, and with his products and their quality.

"A jolly good show" said a British journalist, as he mingled with the thousands of visitors streaming through the U.S. Food and Agriculture Exhibition which yesterday closed its doors after a resoundingly successful 18-day run in Amsterdam. "It's not only informative, it's fun."

U.S. food exporters had equal cause for satisfaction. Sixty percent of the American food products in the Self-Service Food Store were sold out in the first 4 days.

On opening day, November 7, invited dignitaries and European trades people heard a welcoming speech by the United States' Vice President Lyndon B. Johnson, and more than 5,000 visitors then wandered through the spacious, brightly lit Exhibition areas. They not only looked, they bought.

Curtain-raiser for all Exhibition visitors was a handsome, circular "Theme Theatre" immediately within the entrance. Here viewers saw the world premiere of "Bounty Without Boundaries" an 8-minute, 70-millimeter, color film on the American farmer. Using a multi-screen technique, up to six different scenes could be shown at the same time in a mosaic effect on the 50-foot screen. Seating 600 at a showing, the spectacle drew visitors back again and again.

The film was especially produced to set the theme for the entire Exhibition: the American farmer is very much like the European farmer—his farm is a family activity. The film points up the advantages of two-way trade: "Where the doorway to trade is kept open, bringing together goods, skills, and ideas into a common abundance . . . man's horizons have been broadened."

Leaving the theatre, visitors entered the Special Exhibits area which expressed the same ideas in graphic presentations. Prime attractions in the area were the two American-Dutch families, the Van Timmerens and Patmoses of Michigan, who spoke for 5 minutes, then chatted in Dutch with all comers about how U.S. farmers live.

In this area was the Food Quality exhibit which drew special attention from their Royal Highnesses, Queen Juliana of the Netherlands and Prince Bernhard, when they spent several hours at the Exhibition one afternoon soon after it opened. The Queen was particularly interested in such quality measuring devices as the colorimeter which gages the ripeness of tomatoes and an instrument which tests the softness of apples.

At the far end was a 20-foot "Atlantic" bridge arching over water to symbolize two-way trade, over which visitors might walk. A striking feature of the exhibit which displayed European products sold in America was a replica of the "Concord," new supersonic Anglo-French jet airliner just ordered by 3 U.S. airlines. Nearby was a "County Fair" exhibit which featured a 16-foot revolving Ferris wheel whose seats as they flashed by showed different kinds of U.S. grains.

As visitors left the Special Exhibits area they received quiz forms to fill out which asked them various questions on American history. When the answers were handed in, the visitor received a package containing two doughnuts. Daily prizes were awarded, such as U.S. refrigerators and other electrical appliances. The grand prize was a trip to the United States.

Very few visitors failed to sample the barbecued U.S. meats and poultry at the Barbecue Patio, which came

Dutch children at the Kiddy Kitchen, above left, show how easy it is to prepare processed U.S. foods, while their elders, above right, sample foods at the GMA booth. At right, eating barbecue at the Patio.

next. The Connie B. Gay musicians who were featured each afternoon and evening at the Folk Music Festival drew special applause when they appeared in the American West atmosphere of the Patio.

Show-stoppers were the next exhibits and the Kiddy Kitchen where Dutch children made pies and cakes, salads, and sandwiches.

Frequent fashion showings at the leather exhibit (sponsored by the Tanners Council of America) were particularly effective because leather garments of many kinds have long been popular with Europeans.

The cotton industry display of cotton fabrics and clothing featured new comfort stretch fabrics and no-iron cotton skirts with permanent pleats, just being introduced in Europe.

The U.S. tobacco industry exhibit was highlighted by the world debut of the highest speed cigarette-making machine in existence. Manufactured abroad by the American Machine and Foundry Company, the machine turns out 2,000 cigarettes a minute. The two brands that were demonstrated use more than 50 percent U.S. tobacco.

Immediately beyond was the Self-Service Food Store, a lodestone for all Exhibition visitors. In the center was a huge GMA (Grocery Manufacturers of America) kitchen where visitors saw how easy it is to prepare packaged and processed U.S. foods. Around the perimeter of the 20,000-square-foot area were numerous smaller kitchens sponsored by U.S. commodity organizations. At these, visitors sampled and purchased dishes and delicacies made from wheat, honey, beans, poultry, fruit, meat, soybeans, and rice.

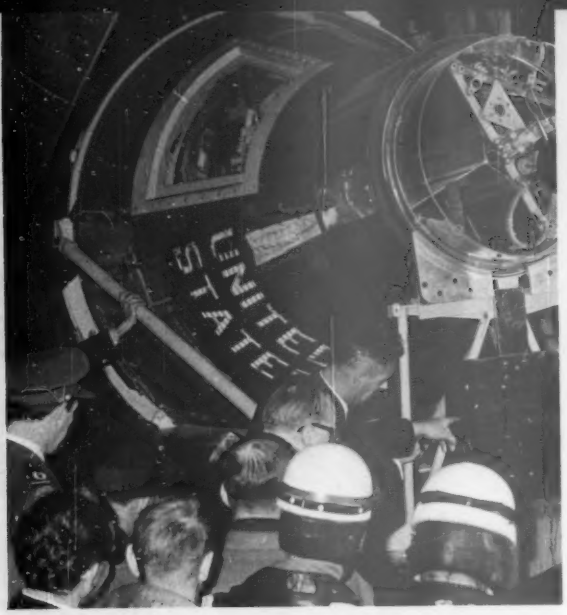
In the food store which occupied the remainder of the area, products of more than 100 U.S. firms were sold. Europeans could make their selections from attractively arranged shelves and displays containing well over 1,000 U.S. food items. Many of them were being introduced to European buyers for the first time.

In the adjacent Commercial Area, about 30 U.S. food manufacturers or their European agents — as well as U.S. and European trade associations —displayed their products at individual stands. Many of these, too, had demonstration kitchens or eye-catching automated displays.

The number of U.S. commodity organizations at the Exhibition was the largest ever to participate at any one show. Almost every major U.S. agricultural product was promoted along with a large number of others.

Many of these organizations cooperated in the food marketing seminar held on 3 different days in conjunction with the Exhibition. European trade interest in the workshop ran high, with one firm making reservations for 80 of its members.

In this area, also, was the Food in Space exhibit where, for the first time, Europeans saw the "Sigma 7" spacecraft which carried American Astronaut Walter Schirra on 6 orbits around the earth. Prince Bernhard spent much of his visit at the Exhibi-



The "Sigma 7" Mercury Capsule, above left, the Food-in-Space Exhibit, was a big attraction. Above right, Dutch shoppers bought basketsful of U.S. foods.

American ice cream, at left, was so popular that stock boys had difficulty keeping enough on hand. Below the Connie B. Gay Hootenanny troup is televised at the Exhibition's Barbecue Patio.

tion examining the spacecraft and the foods eaten in space.

High above the crowds—overlooking the self service market and commercial exhibit booths—was the glass-enclosed trade lounge.

In this big, well furnished room, some of the most important work of the Exhibition took place. Here, America's sellers got down to business with Europe's buyers. One U.S. businessman said he accomplished the whole mission of his trip to Amsterdam on opening day in the trade lounge—the establishment of a distributor in Holland. Within a few days, he had also added a German distributor.

Crowds at the Exhibition were friendly and interested, stopping long at any display which caught their fancy. Peak attendance came in the late afternoons and evenings. Family groups were much in evidence each weekend.

Next door at the Glass Hall (so-called because all 4 walls are of glass) the atmosphere was quieter, more academic, during the week of the Symposium. Attentive audiences listened carefully to addresses and discussions by some of the foremost men and women in Europe and the United States, as they spoke on the various aspects and problems of international trade, and more specifically, those of trade between the countries which make up the Atlantic community. European press coverage was excellent.

Agricultural Policies as Related to Trade

Speaking at the Amsterdam Symposium, Sicco Mansholt of the EEC and British Agriculture Minister Christopher Soames urge that agricultural trade problems be negotiated at the next GATT round.

Mr. Mansholt's views

Up to now there has been no successful resolution of world agricultural problems, neither under the General Agreement on Tariffs and Trade nor in the Food and Agriculture Organization. GATT rules are simply not suitable for the treatment of agricultural trade. This results because tariffs actually play a relatively minor role in this trade. The important factor has been policies of both exporting and importing nations.

In the Common Market, we are presently struggling to build our common agricultural policy—an effort that coincides with the forthcoming negotiations.

With respect to the agricultural trade of the EEC, all agricultural imports have increased by 21 percent and the imports of products affected by the CAP have increased 23 percent. This is to be contrasted with an increase in world trade in agricultural products of less than 12 percent. This is the answer to those who say that the Rome Treaty is creating a protectionist bloc.

The primary questions are—Will the common agricultural policy lead to a "closed" market? Will the common policy be one exercising control or, in more far reaching terms, will the EEC Community negotiate only on tariffs and quotas, but on agricultural policy as well?

The EEC Commission is ready to negotiate on policy, and has made proposals to the Council of Ministers to this effect. We must say that up to now we have not heard such a forthright declaration from any other source. Still, all must consider certain realities of our agricultural situation: we must give reasonable protection to our producers, and raise their standard of living through increases in productivity.

So that we can employ new methods, we in the EEC are accelerating our common policy. The key element is the establishment of a common grain price. In this connection, we have proposed a European wheat price of 493 French francs, an increase of 9 percent over last year, which we do not think will lead to a significant acreage increase.

Nevertheless, price and protection are only elements in the agricultural trade picture. In the forthcoming negotiations, we want to deal with all the factors that work to guarantee prices.

The EEC Commission has proposed:

A consolidation of existing levels of subsidy, or price support, and negotiations on these levels.

Prohibition against favoritism in the creation of a market by one nation on behalf of another.

International agreements making production consonant with demand.

Concerning international agreement, we must focus our attention on the products vital in the fight against hunger, and of special importance to large bodies of producers.

To those who may say that the Commission's proposals are unrealistic, we can only say we are encouraged by our success—despite difficulties—in organizing a common agricultural policy for the Common Market nations. This experience gives us faith in the possibility of improving agricultural coordination on a worldwide scale.

Mr. Soames' views

Much trouble has been taken in GATT negotiations over the years to ensure that trade expansion arrangements are evenly balanced between countries. None of us can afford to see the balance of trade tipped against us. It is of the greatest importance that an overall balance between countries should be preserved when we consider, as we now must in the Kennedy Round, the expansion of agricultural trade in line with that of industrial trade.

In my own country we find it very difficult to listen with very great patience to suggestions that we must reduce our own production, in order to provide a more certain and more remunerative market for imports.

Agricultural trade is of the greatest importance and it is essential to find ways of dealing with it as part of the Kennedy Round negotiations. But in doing so we must have regard to the importance of agriculture in the society and economics of even the most developed nations.

Much of agricultural trade needs a different and more flexible sort of treatment from industrial trade in international negotiations. It would neither be sensible nor right to expect of importing countries the wholesale slashing or abandonment of support systems in the interests of a liberalization or expansion of trade. On the other hand some countries and their large agricultural populations depend greatly upon the export of agricultural produce.

We ought to be able to expect therefore, that no country, or group of countries, whether exporters or importers, will try to increase its own agricultural production to such an extent that the trade of other countries is disrupted since this can only cause serious damage to the whole balance and pattern of world trade in industrial as well as agricultural products.

Agriculture in Great Britain employs only 4 percent of the working pouplation. But, under the pressures first of wartime need and second of postwar scientific advances, that 4 percent of our working population now produces some two-thirds of our requirements of temperate zone products. As efficiency rises productivity and production rises.

The result has been increasing congestion of and instability in our relatively free markets, which is not in the

(Continued on page 16)

Business makes a case for FREER AGRICULTURAL TRADE

Bank of America Chairman Jesse W. Tapp told the Amsterdam Symposium audience that the world economy suffers when agricultural trade is restrained. Excerpts from his speech, including his conclusion, are given here.

No more important economic issue confronts the world today than international trade and its counterpart, international payments. Indeed, satisfactory trade relations between Europe and the United States are especially important to the health and vigor of the world in general. It has also become increasingly apparent that special efforts will have to be made to liberalize trade in agricultural products if trade as a whole is to reach its potential.

Our hope in Europe and in the United States for substantially freer trade in the world will not be realized unless we successfully attack agricultural protectionism in its roots, namely domestic policies of subsidization and particularly those policies that involve price fixing. Success in other aspects of trade liberalization must not divert us from this course. Freedom of trade in industrial products is only a part of the trade liberalization problem, and its close link with agricultural trade limits the progress that can be made without parallel liberalization of agricultural trade.

The central problem is that of interference with the establishment of prices in the market place and the use of varying devices to support such interference. The transition from a non-market to a market economy in agriculture will necessarily imply an expansion of trade both domestically and internationally. Free markets are essential parts of the price mechanism which allocates resources to their most efficient use. Economies of specialization and comparative advantage resulting from such allocation can only be obtained through trade.

The task of dismantling an apparatus that is as firmly established as the complex maze that governs agriculture surely is a most difficult one. Agricultural populations resist change in their basic way of life, and their entrenched political strength makes change painfully slow.

Despite these obstacles, progress can be made if we have the determination to move ahead. Unprecedented prosperity in Europe and the prospect of renewed economic expansion in the United States affords an especially favorable environment for the changes needed. These conditions offer opportunities for absorbing agricultural workers into the expanding industrial work force, probably at an attractively higher income, thus providing a positive inducement to shift out of agriculture.

The tactics needed to capitalize on these strategic considerations should emphasize gradualism as a basic element. This principle has been recognized by the European Economic Community in its generous time schedule for internal tariff reductions. Gradualism is desirable, not only because it is fair and equitable to those it most directly affects, but also because it can go a long way toward removing opposition to reform.

If agricultural reform seems hopelessly remote and too difficult to attempt, let me offer a word of encouragement. We are told that Rome was not built in a day, and this familiar comment should help us as we contemplate the time dimension of our own task. But what about the task itself? Are we equal to it?

Let me hasten to note that we are well ahead of the ancient Romans. The war-devastated countries of Western Europe and the Far East were rebuilt in a fantastically short span of time and for nearly a decade now have been expanding their economies remarkably. On top of this, substantial amounts of aid and developmental assistance have been provided to underdeveloped countries, and in addition the Free World has maintained a military posture that has preserved peace. Moreover, major currencies have been made convertible—in fact were made convertible almost 6 years ago. The "chronic dollar shortage," widely believed a few years earlier to be a fundamental obstacle to convertibility, is now no more than a ridiculous relic interred ironically beneath an avalanche of gold and foreign exchange. And the EEC, despite occasional difficulties, stands today as a magnificent monument to those whose imagination, foresight, and above all, devotion to the liberalization of trade and payments brought into being an association of states that seems destined to reach its goal of full economic and perhaps political integration.

If the reform of agricultural policies seems difficult, how should we classify these feats I have just enumerated —feats that have already been accomplished with a brilliance that not even the most ardent enthusiast would have anticipated when these tasks were begun?

From such experiences as these, one could probably draw many useful conclusions and guidelines for the future. To me, one in particular stands out above all others—and that is the determination of men in diverse countries to further international cooperation in the interest of an expanding world trade.

The economic world today paradoxically is at once too large for any nation to contain itself wholly within its own borders, and too small to divide itself into many small and wholly separate entities. The world economy must continue to grow merely to keep pace with its rising population, let alone to provide higher levels of living. This can be done better if production and trade are not stifled by government regulations. The world is too poor to squander its resources on unnecessarily high cost production, and our part of this world, for all of its enormous wealth and military strength, is neither so strong, nor so rich, that it can use its resources in a profligate manner.

German Industrialist Says EEC Tariffs Must Not Cut Off Area's World Trade

West German industry is against seclusion of the Common Market from the outside world, Dr. Fritz Berg, president of the Federation of German Industries, said at the fifth session of the European-American Symposium.

"Any development towards a self-supporting agricultural market would have a disastrous effect upon German trade relations and on our political relationships with nonmember countries," he said.

"About 70 percent of our foreign trade is with nonmember countries. The repeated demand by the industrial economy that the Common Market pursue a worldwide policy not only reflects our trade political attitude, but is compatible with the Rome Treaty which stresses the necessity of a harmonious development of the world's trade."

Dr. Berg emphasized that the economic interests of industry and agriculture are "interlocking," and that industry is "keenly interested" in a sound and efficient agriculture.

"The food-processing industry, for instance, absorbs over 60 percent of agricultural production," he said. "Processing industries involved also include parts of the chemical industry.

"Should the competitive efforts of processing and craft-processing industries suffer on account of high priced raw materials, this would immediately affect agriculture, because its sales would go down."

The Common Market will have a hard task formulating the required price decisions, Dr. Berg said. While industry is keyed to worldwide trade, agriculture is shielded from the world's markets, and prices of almost all agricultural products are likely to be higher than current world prices.

If Common Market tariffs reduce competition from outside producers, agricultural product prices would not only be higher, but production would be stimulated, Dr. Berg pointed out.

"Agricultural output is rising continuously and care must be taken lest it turn into a production avalanche. This would cause a slump in agricultural markets and the loss of purchasing power which, in turn, would strike a hard blow at some branches of industry," he said.

German industrial circles are very concerned about the dangers of agricultural surplus production, Dr. Berg said. If, for instance, the low French cereal prices were raised to the high German price level—a price markup of approximately 30 percent—French production would be stimulated to a high degree.

"The Common Market's agricultural markets will fail to function, if surpluses become a permanent phenomenon. Manipulating the market by taking away the competitive edge lower-priced outside products have over national products can be done only if something is left to be imported," he said.

Nor should the Common Market try to eliminate trade difficulties by introducing a quota system, according to Dr. Berg. Apart from the fundamental objections raised by the Free Western World against such systems, the Common Market countries are not likely to vote unanimously for their reintroduction.

Success of the upcoming GATT talks will be just as important to the German Federal Republic as to the United States, he said. An extensive leveling of trade barriers and tariff walls would offer a "unique chance" to extend the world's trade. This would benefit trade relations between the United States and the Common Market. It would be of equal value in bridging the gap between the trade policies of the countries of Western Europe.

Dr. Berg warned that problems of agricultural policy could not be solved overnight. Germany, like other countries, cannot "sacrifice its agriculture on the altar of other countries' agricultural protectionism." The most important task in the future will be consideration of the price and subsidizing policies of individual countries. This is the only way to escape from the present dumping of products on the world market.

He asked that agriculture adopt a "worldwide point of view" which would include the developing countries and approach the forthcoming GATT negotiations at Geneva with a "positive attitude."

Technology Seen Cause Of Social Problems Too

The technical revolution in agriculture which has changed the structure of farming and made surpluses an international concern can also lead to fresh problems in human relations.

Voicing this view at the U.S. Agricultural Trade Symposium in Amsterdam, the Reverend Henri De Farcy, French agriculturist, developed it by referring to the dependence that exists today. "If agriculture suddenly found itself deprived of its sources of energy—petrol, for instance—all motorized equipment would be stopped and so would all factories producing essential goods for agriculture. It is easy to imagine the famine that would result."

The speaker also foresaw the technological revolution automatically crushing those farmers who wish to remain individualists, and spoke of the increasing need for association and regrouping to combat the tension arising from this dependence.

"Uncertainty is another consequence of technology," Mr. De Farcy said. "The Nigerian farmer who produces groundnuts suddenly feels the effects of the work of a scientist in Moscow. Because of a discovery made by someone of whose existence he was unaware, he is faced with a new situation for which he is unprepared.

"Thus, is it not obvious, at least to those to whom a sense of duty is meaningful, that this technical revolution which makes man both more interdependent and more powerful, but also less secure than in the past, imposes the moral obligation to seek closer union with his fellowmen?"

U.S. and Dutch Professors Explore How Farm Income Problems Relate to Trade

A possible solution to the low farm income dilemma in Western Europe—major stumbling block to setting a common agricultural policy for the European Economic Community — was proposed by Dr. J. Horring, of the Netherlands' Agriculture University, who addressed the U.S. Agricultural Trade Symposium in Amsterdam.

Dr. Horring said that Western Europe's quickest route to efficient farm production is through specializing in those commodities which it can produce at a comparative advantage. He added, however, that the immediate problem to be resolved is finding ways to reduce the large number of persons now engaged in agriculture.

The U.S. viewpoint on how to relate farm income and trade policies was expressed by George E. Brandow, Professor of Agricultural Economics, Pennsylvania State University. According to Mr. Brandow, low farm incomes—facing every advanced nation—should and can be coped with in an atmosphere of free trade.

Explaining his position, Dr. Horring said: "Agricultural production being dependent upon climate, soil, and acreage suitable for agriculture, the potential gain in efficiency can be greatly increased by unrestricted international specialization. Yet, this specialization has been seriously hampered in Europe since the 1930's."

Dr. Horring said that the lack of full employment has limited both specialization and the benefits of free trade. "One might say that the condition of full employment does not exist in European agriculture and will not do so for many years," he said. "As long as this situation continues, it is profitable to utilize this productive capacity, instead of importing more agricultural products in return for industrial products."

"Until a sufficient number of farms will have been liquidated, the subsidizing of so-called structural improvements will bring about investments and an increase in total production," he said. "I would also advise against raising the price level of agricultural products, in view of the incentive it provides for attracting additional inputs. I prefer to keep prices comparatively low and help high-cost producers to an adequate income by supplementary payments during a period of transition."

Dr. Horring recommended that when the ratio of farmers to land is lowered, Western Europe should then specialize in producing certain commodities and gradually resume active trading. "As the Common Market will grow, so will favorable opportunities for trade. However, these opportunities can be seized only if the potential overproduction in the various Western European countries — due to surplus manpower—disappears at the same time," he said.

Drawing upon the American experience in reconciling farm income and trade policies, Mr. Brandow pointed out that—despite sharp contrasts in agricultural efficiency—the basic economic issues in organizing agricultural and trade resources are the same in all advanced countries. He said that the foremost objective of farm income and trade policies should be to increase the welfare of people collectively. Excessive protection of farm producers, therefore, conflicts with this objective by stifling trade which should take place for reasons of comparative advantage.

He noted that as a self-sufficient and exporting nation, the United States has relied mainly on price support programs to assist farm incomes. He said that though tariffs or quotas may accompany price supports, these have not affected trade because in the absence of price support the country would not be an attractive market with its low domestic prices.

Mr. Brandow cautioned that Western Europe may soon have to face a new problem—one of too much food —brought about by advances in technology. "Barriers against imports then will not be sufficient. The stage will be set for a more general search for ways of disposing farm products abroad, with fewer countries prepared to accept commercial imports," he said.

Farm Imports Help Lower Living Costs

If the United States did not import each year enormous amounts of agricultural products, the American consumer would pay a lot more for the food he eats and would have a far less interesting diet.

Such was the comment made by Bert Seidman, AFL-CIO European Economic Representative, at the U.S. Agricultural Trade Symposium held 2 weeks ago in Amsterdam.

"From the point of view of natural conditions for farming," declared Mr. Seidman, "the United States is indeed a fortunate country. Yet even in America the life of the average family would be a lot more drab and certainly more costly were it not for the millions of dollars worth of food and agricultural products that we import each year. Everyday staples like coffee, cocoa, sugar, and spices would not be on our tables if we did not buy them abroad. Moreover, despite the volume and variety of American farm products, half of our imports supplement—that is, compete with—American-grown products."

The speaker went on to say that agricultural trade has probably been even more significant for European consumers. "There," he added, "the great improvement taking place in the diet of ordinary families would be impossible without the growing exchange of food products, both within Europe and with the rest of the world."

The consumers' main concern, he explained, is to raise his standard of living to the highest possible level. He wants to stretch what he earns in his job as far as it can go, and one thing is certain—the more he has to depend exclusively on domestic food and agricultural products, the lower will be his real standard of living at any given income.

Holland's Queen (right) explored the Amsterdam Fair thoroughly. Here she admires "Sigma 7." Above, Dutch Agriculture Minister Biesheuvel addresses Symposium.

Queen Juliana Was Among the Guests

Left, Vice President and Mrs. Lyndon B. Johnson enjoy samples of a cake made from a mix by two pleased young chefs at work in Kiddy Kitchen.

Below, two opening-day speakers at Symposium. Left, famed British historian Arnold Toynbee, at banquet. Right, Dutch Prime Minister V. G. M. Marijnen, as he sounds keynote at opening session.

USSR Bought No Oilseeds From China in 1962

In 1962, the USSR imported neither oilseeds nor vegetable oils from Communist China, although before 1961, imports of both products came almost entirely from that country. In 1961, imports of Chinese oilseeds had already dropped to only 12,000 metric tons in contrast to about 392,000 the year before, of which 90 percent was soybeans; and imports of Chinese vegetable oils were already nil, though they were 29,000 tons in 1960.

USSR: OILSEED AND VEGETABLE OIL IMPORTS FROM COMMUNIST CHINA, 1960-62

Commodity	1960	1961	1962
	Metric tons	*Metric tons*	*Metric tons*
Oilseeds:			
Soybeans	351,000	10,300	0
Castorseed	4,900	100	0
Flaxseed	4,100	800	0
Sunflowerseed	7,700	700	0
Mustardseed	4,300	200	0
Sesame	200	0	0
Peanuts:			
Shelled	19,000	0	0
Unshelled	600	0	0
Total	19,600	0	0
Total oilseeds	391,800	12,100	0
Edible vegetable oils	29,400	0	0

Compiled by the Japan-Communist China Exporters and Importers Association from China-Soviet Union Trade Statistics 1960-1962.

U.S. Exports of Soybeans, Edible Oils, Meals

Exports of U.S. soybeans during the 1962-63 marketing year (October-September) totaled a record 180.3 million bushels, 27.1 million bushels or nearly 18 percent, above the 1961-62 record. However, edible oil exports, though approaching 1.6 billion pounds, dropped by 11 percent from the 1961-62 record. Of this, soybean oil represented about 1.2 billion pounds, down 8 percent from 1961-62. Cottonseed oil exports in 1962-63 declined about one-fifth from the previous year. In the same 12-month period cake and meal exports reached a record of more than 1.6 million short tons—45 percent above the previous record level of 1.1 million tons exported in 1961-62. In 1962-63 soybean meal's share of the total U.S. exports of cakes and meals dropped slightly to 91 percent from 95 percent in 1961-62, owing to marked gains in exports of both cottonseed and linseed meals.

September exports of *soybeans*, at 7.2 million bushels, were down 4.6 million from those in August. Major destinations for U.S. soybeans in September with their respective percentages of total exports were Japan 42; Canada 24; West Germany 12; Italy 7; and the Netherlands 6.

Exports of *edible oils* (soybean and cottonseed) totaled 164.2 million pounds—a gain of 52.4 million from the previous month. During the year beginning October 1, 1962, foreign donation shipments under Title III of P.L. 480 comprised about 6 percent of the total compared with 15 percent in 1961-62.

Up by 31.9 million pounds from August, *soybean oil* exports amounted to 142.7 million pounds, virtually all commercial. Principal destinations with percentages of U.S. soybean oil exports in September were Pakistan 33; Turkey 18; Tunisia 10; and Morocco 8.

Cottonseed oil shipments, at 21.5 million pounds, practically all commercial, were down 10 percent from the previous month.

Exports of *cake and meal* totaled 104,000 short tons or slightly more than in August. *Soybean meal* shipments were up sharply to 89,100 tons; however, they were nearly offset by significant declines in the shipments of cottonseed and linseed meals.

Major destinations for soybean meal exports were Italy 30 percent; Canada 25 percent; the Netherlands 10 percent; and Yugoslavia and France 7 percent each.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND CAKES AND MEALS, SEPTEMBER 1963 AND 1962-63

Item	Unit	September		October-September	
		1962 [1]	1963 [1]	1961-62 [1]	1962-63 [1]
Soybeans	Mil. bu.	7.3	7.2	153.2	180.3
Oil equiv.	Mil. bu.	80.0	78.8	1,681.6	1,980.2
Meal equiv.	1,000 tons	171.3	168.6	3,599.1	4,238.1
Edible oils:					
Soybean:					
Commercial [2]	Mil. lb.	110.8	142.7	1,124.0	[3] 1,127.5
Foreign donations [4]	Mil. lb.	11.6	([5])	180.2	67.7
Cottonseed:					
Commercial [2]	Mil. lb.	6.4	21.5	390.6	349.2
Foreign donations [4]	Mil. lb.	2.8	([5])	79.5	29.4
Total oils	Mil lb.	131.6	164.2	1,774.3	1,573.8
Cakes and meals:					
Soybean	1,000 tons	52.9	89.1	1,063.7	1,475.7
Cottonseed	do.	16.6	8.6	25.7	84.9
Linseed	do.	15.5	6.2	28.2	52.2
Total cakes and meals [6]	do.	84.9	104.0	1,117.9	1,624.3

[1] Preliminary. [2] Includes Title I, II, and IV, P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Includes 32,855,509 pounds exported to Spain in January, but returned without being discharged. [4] Title III, P.L. 480. [5] Less than 50,000 pounds. [6] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from records of the Bureau of the Census and USDA.

Germany Aids Ethiopia's Oilseed Research

The Ethiopian press reports the signing of a technical assistance agreement on October 18 by the Government of West Germany, the Ethiopian Ministry of Agriculture, and the Haile Selassie I Foundation. Made in connection with the Ethio-German Technical Assistance Agreement concluded in April 1959, the new agreement calls for establishment of an experimental station for oilseeds in the Province of Wollega, southwest of Bacco.

This program is designed to improve, develop, and increase the types of oilseeds suited for cultivation in Ethiopia. Accordingly, the station will carry out experiments on all varieties of oilseeds. The activities of the station will also cover improvement of working methods in field crops, fruits, and vegetables.

Japanese Marketing Toasted Soybean Meal

A large oilseed processor in Japan is scheduled to start marketing toasted soybean meal this month. This will be the first time that toasted soybean meal has been placed on the domestic market. The company's officials, anticipating that there will be a strong demand for the meal, are making arrangements to increase production and have placed large orders for U.S. soybeans.

Other soybean-crushing companies also are considering installing equipment to produce toasted soybean meal. It is expected that toasting will be widely adopted, because of the additional nutritive value of meal so treated. Each of the plants will continue to produce some untoasted meal for soy-sauce production.

Guatemala To Finance Livestock Imports

To improve Guatemala's livestock industry, and eventually increase its beef exports, the Bank of Guatemala has made available approximately $2 million for loans to farmers. These loans are to be used for importation of dairy and breeding cattle and for other livestock development. Some of the cattle will probably come from the United States.

Funds will also be made available for constructing facilities such as corrals, dipping vats, and fences, and for the development and improvement of pastures and stock watering facilities.

Guatemala's beef exports to the United States increased from 1.9 million pounds in 1961 to 11.9 million in 1962 and have totaled over 9 million in the first 8 months of 1963.

U.K. Sets Bacon Import Quotas

The United Kingdom has established bacon import quotas for 7 supplying countries and has determined the amount of U.K.-produced bacon to be placed on the market. The new quotas will come into force April 1, 1964.

The United Kingdom has set 615,000 long tons of bacon as the minimum desirable supply. Of this total, 222,400 tons will be supplied by domestic production and the remainder, allocated among traditional foreign suppliers. Quotas for the year are as follows: Denmark 286,500 tons, Poland 48,500, Eire 27,000, the Netherlands 13,000, Sweden 10,300, Yugoslavia 5,000, and Hungary 2,300. Provision is also made for a "reserve supply" of 25,000 tons. The first 5,600 tons of this reserve will be shared among the United Kingdom, Denmark, Sweden, and Poland; the rest will be shared proportionately by all eight countries, with the United Kingdom supplying 36.5 percent and Denmark 47 percent.

The U.K. share of the minimum quantity has been set at about the same level as domestic production of bacon in 1962, which amounted to 221,500 tons. The minimum quantity to be supplied by Denmark is about the same as U.K. imports of Danish bacon in 1962.

The shares of the market are to be established in the future by the Bacon Market Council, composed of representatives of the participating governments under a U.K. chairman. The government's aim is to stabilize bacon prices in the U.K. market and limit the price support burden. The acceptance of the quotas by Denmark, Sweden, and Eire will represent some concessions by the EFTA and Eire, which under former arrangements were entitled to ship unlimited quantities of bacon to the United Kingdom.

The United States and Canada have not been shipping fresh or frozen pork or bacon to the United Kingdom because prices have not been competitive and because of the hog cholera situation in the United States.

Australian Meat Shipments to the U.S.

Two ships left Australia during the third and fourth weeks of October with 2,858,240 pounds of beef for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
				Pounds
Lloyd Bakke	Seattle	Nov. 30	Beef	147,840
Oct. 17	Tacoma	Dec. 2	Beef	235,200
	Portland	3	Beef	542,080
	Los Angeles	10	Beef	786,240
	San Francisco	14	Beef	1,001,280
Oronsay	San Francisco	Nov. 9	Beef	112,000
Oct. 24	Los Angeles	11	Beef	33,600

[1] Cities listed indicate location of purchaser and usually the ports of arrival and general market area, but meat may be diverted to other areas for sale.

Australia Ships Breeding Sheep to Mexico

A group of Australian sheepmen on October 23 shipped 18,000 sheep, including 17,200 ewes and 800 rams, to Mexico. These sheep, all first-cross Border Leicester-Merinos, will be used in the new breeding program of the Banco Nacional de Crédito Agrícola.

If the present voyage is successful, the company plans to make several more shipments at approximately 2-month intervals.

Italy Importing More Chilled Beef

In late October, Italy imported 40 tons of chilled beef from New Zealand. This was the first shipment of its kind, made as an experiment to determine the sales potential for frozen beef. Another large shipment, from Argentina, is expected later in the year.

The Italian Minister of Foreign Trade has been in Argentina arranging for shipment of 30,000 tons of Argentine chilled beef to Italy throughout the remainder of 1963 and in the first half of 1964.

A national law in Italy preventing the sale of frozen

meats in butcher shops in display cases adjacent to those for chilled meat, sharply limits the demand for frozen imported meats. However, more frozen meats are being sold in the large supermarkets where frozen products can be displayed in a separate part of the store.

Prices of beef in Italy have risen sharply in recent months.

New Price Support for Canadian 1963 Flue-Cured

The Agricultural Stabilization Board in Canada has reportedly agreed to support the grower price of the 1963 flue-cured tobacco crop under a deficiency payment program.

Under the program, all flue-cured tobacco except special factor and nondescript grades will be supported at 90 percent of the 10-year average price received by all growers for the eligible grades, which equaled 47 Canadian cents (43.6 U.S. cents) per pound. At the end of the marketing season, the Ontario Flue-Cured Marketing Board will furnish the Stabilization Board with a report on the average price received by all growers. If the average price received for all eligible grades is below 47 cents per pound, the Federal Government will make a deficiency payment up to the agreed support level.

The 1963 Ontario flue-cured auctions opened on November 14. This season there are no announced minimum grade prices such as were used in marketing the past five crops. Prior to this season, if the auction price for a particular grade was below its announced minimum grade price, the Board purchased the tobacco. The reported change was deemed necessary because of the marketing problems incurred during the past two seasons; namely, "no-sale" tobacco and its disposal.

U.S. Tobacco Exports in September 1963

U.S. exports of unmanufactured tobacco in September 1963, at 64.8 million pounds (export weight), were 16 percent below the 77.1 million exported in September 1962. Exports of all major kinds of tobacco except burley were down.

For the first 9 months of 1963, total U.S. exports of unmanufactured tobacco were 313.9 million pounds—down 1 percent from the 317.4 million shipped out in January-September 1962. Flue-cured exports, at 243.4 million pounds, were 4.2 percent below the 254 million of a year ago. Kentucky-Tennessee fire-cured was down 9.8 percent; Virginia fire-cured, 7.6 percent; and Maryland, 2.6 percent. Burley, however, showed a good gain; exports were up 21.9 percent from those of the first 9 months a year ago. Total value of all tobacco exports in January-September 1963 was $245.8 million—0.8 percent below the value for the comparable 1962 period.

U.S. exports of tobacco products in September 1963 were valued at $8.7 million, compared with $11.3 million in September 1962. There were decreases in all kinds of products except cigars. For January-September 1963, the total value of all tobacco-product exports was $88.6 million—almost the same as for that period last year.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, SEPTEMBER 1963, WITH COMPARISONS

(Export weight)

Kind	September		January-September		Change
	1962	1963	1962	1963	from 1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	65,018	55,205	253,951	243,383	— 4.2
Burley	3,668	4,067	27,223	33,174	+ 21.9
Dark-fired Ky.-Tenn.	3,601	642	11,159	10,066	— 9.8
Va. fire-cured [1]	659	275	3,695	3,413	— 7.6
Maryland	1,332	1,175	7,704	7,502	— 2.6
Green River	3	22	626	520	— 16.9
One Sucker	60	——	273	157	— 42.5
Black Fat, etc.	452	176	2,891	3,088	+ 6.8
Cigar wrapper	401	650	3,875	3,707	— 4.3
Cigar binder	77	30	494	677	+ 37.0
Cigar filler	66	34	67	223	+232.8
Other	1,714	2,551	5,431	8,023	+ 47.7
Total	77,051	64,827	317,389	313,933	— 1.1
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	64.4	55.5	247.7	245.8	— .8

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS, SEPTEMBER 1963, WITH COMPARISONS

Product	September		January-September		Change
	1962	1963	1962	1963	from 1962
Cigars and cheroots *1,000 pieces*	1,550	3,168	14,867	25,553	+ 71.9
Cigarettes *Million pieces*	2,188	1,656	18,257	17,474	— 4.3
Chewing and snuff *1,000 pounds*	58	6	487	387	— 20.5
Smoking tobacco in packages *1,000 pounds*	101	74	678	635	— 6.3
Smoking tobacco in bulk *1,000 pounds*	1,262	872	6,063	7,840	+ 29.3
Total declared value *Million dollars*	11.3	8.7	88.8	88.6	— .2

Bureau of the Census.

Brazil Has Record Tobacco Crop

The 1963 tobacco harvest in Brazil is placed at a record 350 million pounds—nearly 15 percent larger than the 1962 crop. The rise in production is attributed to increased plantings and more favorable weather conditions.

The 1963 harvest of flue-cured is estimated at 121.7 million pounds—up sharply from the 93.3 million of last season and nearly equal to the 1961 high of 128.9 million.

The burley crop is placed at 4.9 million pounds for 1963, compared with 3.8 million in 1962. Larger crops of both flue-cured and burley are forecast for 1964.

The 1963 harvest of cigar leaf, produced mainly in Bahia, totaled about 79 million pounds—an increase of about 40 percent from last season. Production of twist tobacco was about the same as in 1962, while that of native air cured dropped 14 percent.

India's Exports of Flue-Cured Continue Large

India's exports of flue-cured tobacco in the first 7 months of 1963 totaled 70 million pounds, valued at the equivalent of U.S.$29.7 million and averaging 42 cents

per pound. Exports at this level were much above normal, although about 10 million pounds below those of a year ago.

Major export outlets for Indian flue-cured in January-July 1963 included the United Kingdom, the USSR, Yugoslavia, France, Singapore, and Poland.

Shipments to the United Kingdom totaled 29.9 million pounds, valued at the equivalent of 61 U.S. cents per pound. Exports to the USSR amounted to 18.5 million pounds, at 30 cents; Yugoslavia, 10.3 million (29 cents); France, 2.2 million (12 cents); Singapore, 1.9 million (31 cents); and Poland, 1.3 million (26 cents).

Total exports of all kinds of unmanufactured tobacco from India in the first 7 months of 1963 were 85.3 million pounds, compared with 88.6 million in the same period last year.

Greek Table Olive Pack Above Average

The Greek Ministry of Agriculture forecasts an edible olive pack of 60,000 short tons, in spite of extensive frost damage in January and February of this year. This is over four times the size of the short 1962-63 crop of 13,200 tons. The increase is attributed to the fact that 1963 is the high year of the olive production cycle, characterized by its drastic biennial fluctuations. A secondary cause was abundant rainfall in the spring and early summer.

Because of mid-September rains, expectations are for olives of better-than-average size and quality. The quality was further enhanced by the relatively limited damage caused by the dacus fly and other pests this year.

During November 1962-June 1963 Greece exported 15,000 short tons of table olives. Rumania, Bulgaria, the United States, the USSR, and Italy were the five leading importers, in that order. Each received over 1,500 short tons during the 8-month period. The Soviet Bloc countries accounted for 56 percent of total exports during this portion of the market year, while the United States received 11.7 percent. This compares with 45 percent for the Soviet Bloc and 14.4 percent for the United States during 1961-62. Total exports were expected to reach 19,000 short tons by the end of 1962-63.

With continuing strong demand, 1963-64 exports will probably reach 22,000 tons. Exports are fairly stable from year to year because of the tendency to carry over a reserve supply from a heavy crop to compensate for the expected production decline. This carryover also helps to stabilize the export price of Greek olives.

According to Greek trade sources, prices for early offerings of the 1963 crop will be as follows:

Number of olives per kilogram	Green olives	Black olives
	Dol. per short ton	*Dol. per short ton*
110-120	515	515
140-150	425	510
160-170	343	510
185-200	288	480

As the season progresses these prices are expected to decline slightly.

TABLE OLIVES: GREEK SUPPLY AND DISTRIBUTION, MARKETING SEASONS 1961-62 THROUGH 1963-64

Item	1961-62	1962-63	Forecst 1963-64
Beginning stocks	——	33,000	4,000
Production	91,000	13,000	60,000
Total supply	91,000	46,000	64,000
Exports	19,000	19,000	22,000
Domestic disappearance	[1] 39,000	23,000	[1] 31,000
Ending stocks	33,000	41,000	11,000
Total distribution	91,000	46,000	64,000

[1] Estimated 15,000 tons in 1961-62 and 6,000 tons in 1963-64 processed for oil.

Transshipments of Mexican Cotton Increase

Transshipments of Mexican cotton through U.S. ports amounted to 556,000 bales (500 pounds gross) during 1962-63—30 percent above the 427,000 bales in 1961-62.

Shipments in July were 11,000 bales, compared with 5,000 in the previous month and 16,000 in July 1962.

Principal destinations of the transshipments, with comparable 1961-62 figures in parentheses, were Italy 116,000 bales (44,000); France 100,000 (61,000); West Germany 79,000 (51,000); Switzerland 41,000 (16,000); the United Kingdom 38,000 (28,000); Australia 27,000 (13,000); Portugal 22,000 (13,000); the Netherlands 19,000 (5,000); and Belgium 16,000 (9,000).

U.S. ports through which most Mexican transshipments moved during 1962-63 were Brownsville 449,000 bales, San Diego 77,000, Houston 18,000, Los Angeles 3,000, and Corpus Christi 3,000.

Argentine Cotton Crop Larger in 1962-63

The 1962-63 cotton crop in Argentina, normally harvested from February to May, has been placed at 615,000 bales (500 pounds gross), the largest since 1957-58. Although it is too early to predict the size of the 1963-64 crop, drought delayed planting in the Chaco, and yields may not measure up to last year's.

Exports of cotton for the 1962-63 season amounted to 216,000 bales, compared with 141,000 in 1961-62. Quantities exported to principal destinations from August 1962 through July 1963, with comparable 1961-62 figures in parentheses, were Belgium 47,000 (25,000); the United Kingdom 44,000 (21,000); France 33,000 (9,000); Japan 30,000 (27,000); Germany 19,000 (18,000); and the Netherlands 12,000 (13,000). Exports for 1963-64 are currently estimated at 200,000 bales.

Since all domestically produced cotton is upland type, longer staple fiber is imported from Peru for manufacture into fine yarns. About 20,000 bales of long staple cotton were imported in 1962-63.

Cotton consumption, estimated at 425,000 bales for the current season, is about 21 percent above the 350,000 used in 1962-63 but considerably below the average annual consumption of 471,000 bales for the past 5 seasons. If exports and consumption hold up as expected, stocks on hand at the end of this season will be moderately lower than the beginning stocks of 475,000 bales.

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Agricultural Policies as Related to Trade

(Continued from page 7)

interests of producers either at home or abroad.

In order to remove these pressures and secure more stability, we are introducing greater management and regulation in our market over both home production and imports. On home production we should be introducing quantum arrangements for cereals and meat. For imports, our proposals for cereals involve the introduction of minimum import prices designed to put a floor at a modest but reasonable price level in the market. For meat we shall probably have to think more in terms of quantitative management of imports. Our aim is to maintain a reasonable balance between home production and imports.

We in Britain have played, and are prepared to play, a constructive part in the work of negotiating commodity agreements both for temperate and tropical products. As regards the latter, we must be ready to work for agreements which will stabilize and benefit the economies of the developing countries, by maintaining prices at reasonable levels which will neither give rise to excessive production nor cause a reduction in consumer demand.

In interfering with world prices we should proceed with caution and gradually. World conditions in which we are faced with a surplus of supply over commercial demand put an obligation on all countries to avoid price policies which encourage still greater production at artificially high price levels.

Food aid, properly directed and organized, must certainly feature in our plans. It will grow in importance as the techniques now being worked out within the World Food Program are developed.

We perhaps tend too easily to overlook the measure of agreement on fundamentals already reached in the GATT. First, that there should be negotiations for the further liberalization and expansion of world trade. And second that in view of the importance of agriculture in world trade, it must play a full part in this process of development and expansion. Such agreement in itself represents a step forward.

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